



Bridge to Prosperity: Cliff Effects Pilot



Bridge to Prosperity: Cliff Effects Pilot Partners



United Way
of Pioneer Valley



WILMERHALE LEGAL SERVICES CENTER
OF HARVARD LAW SCHOOL



What is the Cliff Effect?

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The "**Cliff Effects**" occur when families on public assistance seek higher-paying jobs/living wages, which pushes their income above the eligibility threshold, resulting in **the loss of their public benefits**. This unintended consequence can leave them in a worse financial position than if they had remained in their previous job with benefits.

*"I am a single mother of a 15 year old son with multiple disabilities. We paid \$850 for rent. I believe my benefits at the time of my divorce, were about \$1500. Without WIC, a small amount of food stamps and the help of my parents, I couldn't have provided enough food for my child. I worked part time. **If I was ever asked to cover someone's sick day or work extra hours, I would lose my disability benefits for the month.**" -Jami Entwistle, WMM graduate*



Where do benefits “drop off”?

\$15/hour

\$20/hour

\$22/hour

\$28/hour

Housing Assistance

~~Housing Assistance~~

~~Housing~~

~~Housing Assistance~~

Childcare Subsidy

Childcare Subsidy

~~Assistance~~

Childcare Subsidy

SNAP

SNAP

Childcare Subsidy

~~SNAP~~

EITC

EITC

~~SNAP~~

~~EITC~~

Mass Tax Credit

Mass Tax Credit

EITC

~~Mass Tax Credit~~

Mass Tax Credit

\$31,200/yr

\$41,600/yr

\$45,760/yr

\$58,240/yr

Pre-tax and working 40hrs/wk





Deonne
(WMM Graduate)

- Single mom to two
- Works full-time as a data clerk at health insurance company
- Accepted new full-time job after working part-time for a decade.

"I know my rent is going to go up a couple hundred dollars. I'm going to lose my food stamps. I get \$600 [a month] in food stamps and I'm probably going to lose 90% of that. The money that I'm [earning from] working has to go and cover those expenses. Once I get my first paycheck, DTA [the Department of Transitional Assistance] automatically knows I'm working, so my benefits get cut down."



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Overview

Framework:

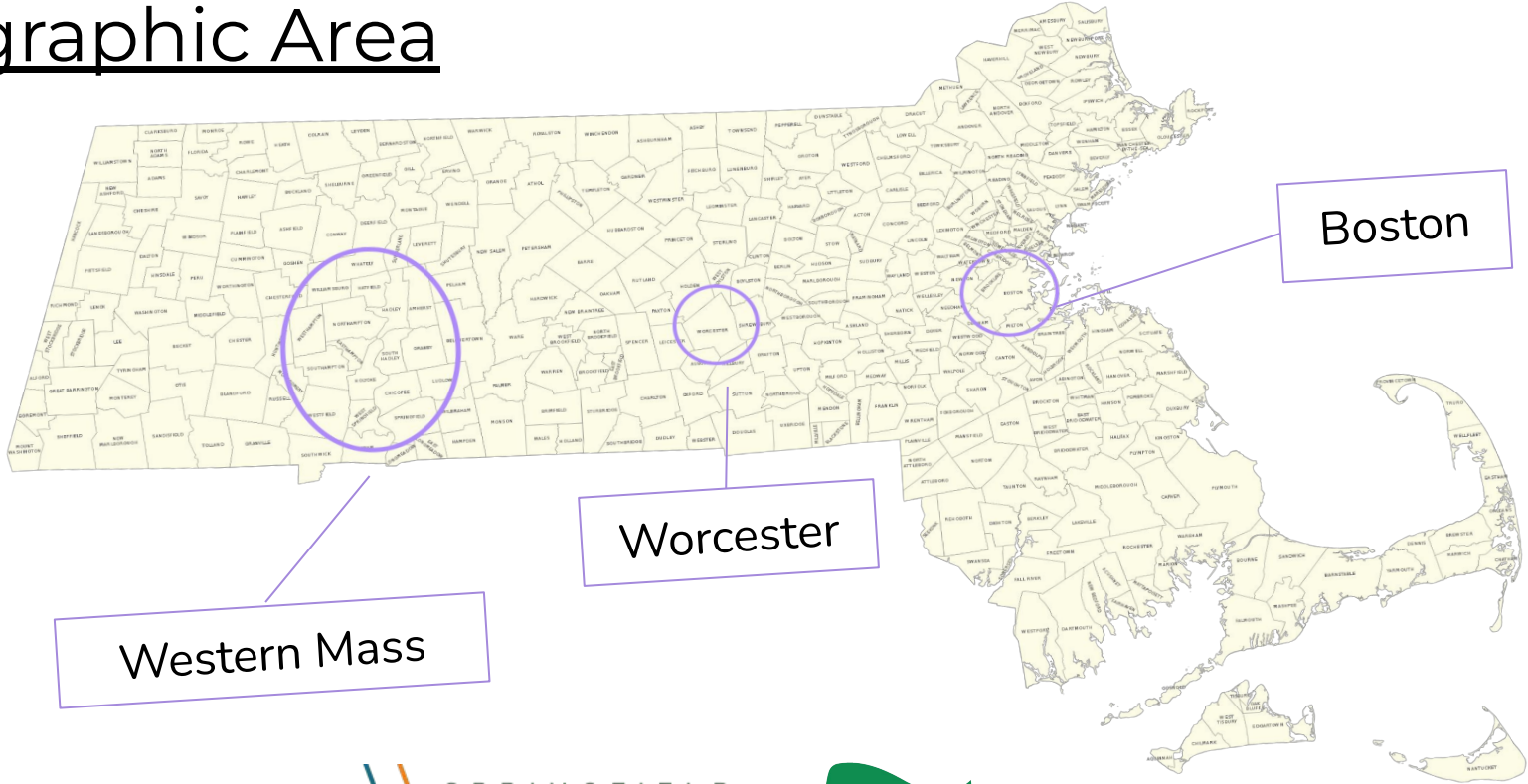
- 5 year time frame
- 100 families who receive any form of public assistance
- First cohort of 15-18 families
- Provide cash assistance to make up for lost benefits through the duration of the pilot
- Provide participants with 1-to-1 financial coaches trained in the Cliff Effects

Objectives and Outcomes:

- Create a **replicable program model** and scope of practice that can be shared with and implemented in other states and at the federal level.
- Test the **impact of supplemental bridge payments** to make up for lost funded public benefits to households when earned income crosses the eligibility line due to higher wages and/or increased hours.
- **Foster and Build industry collaboration**, leveraging the research and efforts undertaken to date and ensuring collaborative efforts among existing projects and pilots underway to address the benefit cliffs.
- **Reimagine legislative policies** that are currently in place perpetuating the Cliff Effects.
- **Disseminate learnings** through policy position papers and strategically timed convenings



Bridge to Prosperity: Cliff Effects Pilot Geographic Area



Thank You!